## **REMARKS**

The specification has been amended to correct the spelling error identified by the Examiner. In addition, Figures 8-10 have been corrected to implement the changes suggested by the Examiner. No new matter is added.

Claims 1-5, 11-15, and 21 have been canceled without prejudice or disclaimer. Claims 6, 7, 16, 17, and 22 have been amended, and new claim 23 has been added.

Claims 1, 6, 11, 16, and 21-22 have been rejected as being obvious over a combination of U.S. Patent 6,310,962 to Chung in view of U.S. Patent 6,374,036 to Ryan. While not stated in the office action, it appears that the Examiner meant to reject claims 1-22 for obviousness over Chung in view of Ryan. The undersigned traverses a rejection of any of the pending claims 6-10, 16-20, and 22 for obviousness over any combination of Chung and Ryan, and any other reference of record, in view of the amendments above and remarks below.

As discussed on page 8 of the application, the watermark insertion device of this invention differs from the prior art device shown in Figure 8 of the application by the inclusion of predetermined information in a table file (see 210 in Fig. 2). As is shown in Figure 5 of the application and explained in the specification beginning on page 8, lines 19-22, the table file 505 defines, for example, the low order four bits of the watermark. The computer reads the image data and the table file from a disk for example (as is shown in Figures 5 and 6). As explained on page 9 of the application, depending the information defined in the table file, a predetermined operation is performed (e.g., in Figure 5, for example, the computer may not display the data on the display, or may display advertisements from company A or company B (see page 9, lines 7-14); and in Figure 6, for example, the computer may not display data on a screen, or may automatically access different web sites (see bottom of page 9 and top of page 10)).

Independent claims 6, 16, 22, and new claim 24 specifically require reading the compressed image data and a table data which defines an instruction corresponding to bit-data included in a part of an electronic watermark, and

performing processing according to the instruction.

Neither Chung nor Ryan teach a table file which defines a low-order four bits of the watermark. Therefore, no combination of the two references would make the claimed invention obvious.

As acknowledged by the Examiner, Chung does not disclose that a watermark contains an instruction in a part thereof. Ryan discloses the watermark containing instructions for copy protection (see column 4, lines 33-36). However, this is not the same as or akin to the table data used in the present invention, and the capability in Ryan is much less flexible. A processing taken on a decoder corresponding to each instruction can never be changed. If it is changed, the copy protection, which is the objective of Ryan's invention, cannot be achieved. For example, if the values (1,1) mean "copy-never" on the inserter, and the watermark with these values is embedded in a digital image, then if the meaning of the values (1, 1) can be changed to "copy-once" on a decoder, a copy of the digital image can be generated, which results in a break of the protection.

Therefore, the use of the table data including an instruction corresponding to bit-data included in a part of an electronic watermark, and processing according to the instruction is new and unobvious over a combination of Chung and Ryan.

In view of the above, reconsideration and allowance of claims 6-10, 16-20, and 22-23 at an early date is requested.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary in a telephonic or personal interview.

A provisional petition is hereby made for any extension of time necessary for the continued pendency during the life of this application. Please charge any fees for such provisional petition and any deficiencies in fees and credit any overpayment of fees to Attorney's Deposit Account No. 50-2041 (Whitham, Curtis & Christofferson, P.C.).

Respectfully submitted,

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## Amendments to the Drawings

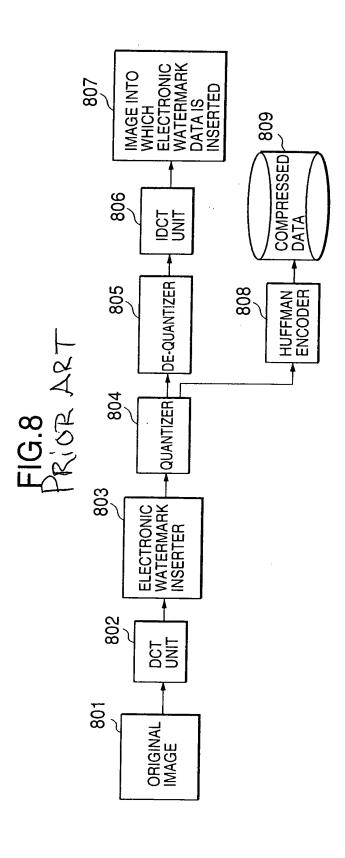
Attached hereto are Annotated Sheets of Drawings showing in pen the elimination of the numeric identifier "905" in Figure 9, and the addition of the legend "Prior Art" to Figures 8-10, and Replacement Sheets that include the revisions shown in the Annotated Sheets.

Please approve and substitute the Replacement Sheets for Figures 8-10 in the application.



## ANNOTATED MARKED-UP DRAWINGS

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## ANNOTATED MARKED-UP DRAWINGS

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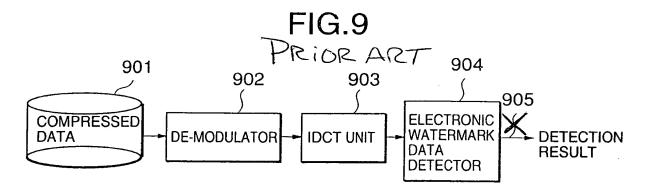


FIG.10 PRIOR ART **ELECTRONIC** 0 1 2 3 4 5 6 7 WATERMARK 8-BIT **INFORMATION** CCI **RESERVED UNDEFINED INFORMATION BITS**